
TITLE 312 NATURAL RESOURCES COMMISSION

Economic Impact Statement
LSA Document #06-134
(Administrative Cause No. 06-073E)

[IC 4-22-2.1-5](#) Statement Concerning Rules Affecting Small Businesses**Background:**

Pursuant to 7 CFR 301.50-3(a) the Administrator of the U.S. Department of Agriculture (USDA) is authorized to quarantine "each State, or portion of a State, in which the pine shoot beetle has been found. . .". The USDA, through the Animal and Plant Health Inspection Service (APHIS), issued a memorandum on June 1, 2005, providing notification of the quarantine of Dearborn County. The memorandum further requires that "all intrastate movement of regulated articles from Dearborn County must comply with the PSB (pine shoot beetle) regulatory requirements per 7 CFR 301.50.". Regulated articles include pine products and articles, products and means of conveyance of the pine shoot beetle as specified at 7 CFR 301.50-2, and previously identified in [312 IAC 18-3-12\(d\)](#).

Less than the entirety of the state will be designated as a quarantined area only if the USDA Administrator determines that "the State has adopted and is enforcing a quarantine and regulations that impose restrictions on the intrastate movement of the regulated articles that are equivalent to those imposed by 7 CFR 301.50. 7 CFR 301.50-3(a) On June 1, 2005, with the USDA's designation of Dearborn County as a quarantined area, the USDA prohibited, pursuant to 7 CFR 301.50-4, the movement of a regulated article originating in Dearborn County to a nonquarantined area except under a certificate or limited permit. Such certificate or limited permit may only issue after confirmation of treatment or after inspection. 7 CFR 301.50-5.

To avoid imposition of the quarantine upon the entirety of the state, the Natural Resources Commission adopted a temporary rule (LSA Document #05-148(E)), which established requirements for Dearborn County that are equivalent to the USDA requirements associated with regulated articles. This proposal would make permanent that temporary rule. The adoption of this rule imposes no costs or requirements upon small business beyond those imposed by the USDA on June 1, 2005.

Estimated number of small businesses subject to the proposed rule:

There are presently three nurseries that qualify as small businesses pursuant to [IC 4-22-2.1-4](#) affected by the USDA imposed costs and requirements associated with this proposed rule.

Estimated average annual reporting, record keeping, and other administrative costs:

The USDA imposed requirements impose no record keeping or other administrative costs to any small business operating in Dearborn County absent exportation of regulated article to a nonquarantined area. Since the imposition of the quarantine by the USDA on June 1, 2005, there has been no request made for certifications or limited permits for the exportation of regulated articles to nonquarantined areas. The majority of pine nursery stock grown by the three Dearborn County nurseries is sold locally. Consequently, the federal regulations have resulted in no reporting, record keeping, or other administrative costs. This proposed rule will impose no additional costs or requirements upon small businesses beyond those imposed by the USDA on June 1, 2005.

Estimated total economic impact of compliance with the proposed rule:

Since June 1, 2005, when the USDA quarantined Dearborn County and imposed the associated costs and requirements, there have been no requests for certifications or limited permits for the exportation of regulated articles to nonquarantined areas. Thus, in the past 18 months there have been no economic impacts upon small business related to compliance with the federal regulations. This proposed rule will impose no additional costs or requirements upon small businesses beyond those imposed by the USDA on June 1, 2005.

Statement justifying the imposition of the costs and requirements:

There have, to date, been no costs or requirements imposed upon small businesses in Dearborn County associated with compliance with the federal regulations. This proposed rule will impose no additional costs or requirements upon small businesses beyond those imposed by the USDA on June 1, 2005.

However, Indiana's failure to make permanent the current emergency quarantine of the larger pine shoot beetle in Dearborn County will subject the entire state of Indiana to the federal quarantine by the USDA. Presently 65 Indiana counties, including Dearborn County, are subject to federal regulations. (Sixty-four counties are presently subject to this administrative rule and this proposal will add Dearborn County.) Failure to adopt this rule will result in the USDA's quarantine of the state's remaining 27 counties.

Within the state's 27 nonquarantined counties there presently exist 67 nurseries and 12 identified Christmas tree farms. Those 67 nurseries, encompassing 1,110 acres, and Christmas tree farms will be made subject to the costs and requirements associated with 7 CFR 310.50 in the event this proposed rule is not adopted.

Regulatory flexibility analysis of less intrusive, less costly or alternative methods:

The requirements of 7 CFR 310.50 require the implementation of the proposed rule adding Dearborn County as a quarantined area in order to avoid imposition by the USDA of quarantined status upon the entirety of the state of Indiana. No opportunity for regulatory flexibility exists within 7 CFR 310.50, which requires the state's adoption and enforcement of the quarantine in a manner equivalent to federal requirements.

Posted: 11/22/2006 by Legislative Services Agency

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